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Federal Student Loan Programs Data Book - FY 1997-FY 2000

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Legislative History

Public Laws Listed Chronologically By Date of Enactment

National Vocational Student Loan Insurance Act of 1965 – Pub. L. 89-287; October 22, 1965

This legislation authorized a separate guaranteed student loan program for vocational students. This Act was repealed by Pub. L. 90-575 (Higher Education Amendments of 1968); vocational students were then made eligible under Pub. L. 89-329 (Higher Education Act of 1965).

Higher Education Act of 1965 – Pub. L. 89-329; November 8, 1965

This is the authorizing legislation for the Guaranteed Student Loan (GSL) programs. Title IV, Part B of this Act originally established a program of low-interest insured loans for students enrolled in institutions of higher education and, with the repeal of Pub. L. 89-287 (National Vocational Student Loan Insurance Act of 1965), in vocational and proprietary schools. Regarding the GSL programs, the purpose of this legislation was:

- to encourage state and private nonprofit guaranty agencies to establish adequate loan insurance programs;
- to provide a federal program of loan insurance for students not having reasonable access to state or private nonprofit guaranty agencies; and
- to pay federal interest subsidies (i.e., interest benefits) on loans made under these programs, as well as on loans made under direct state loan programs (i.e., non-insured loans made directly by a state agency).

Federal Claims Collection Act of 1966 – Pub. L. 89-508; July 19, 1966

This Act provided for the collection and compromise of all claims of the United States, pursuant to regulations and standards published by the General Accounting Office (GAO) and/or the head of each executive-branch agency.

International Education Act of 1966 – Pub. L. 89-698; October 29, 1966

This Act extended the authority for lenders to make insured loans and for the special allowance rates to be set through the "transition quarter" ending September 30, 1976. This "transition quarter" was the quarter that bridged the old federal fiscal year (July 1 - June 30) and the new one (October 1 - September 30).

Education Amendments of 1976 – Pub. L. 94-482; October 12, 1976

This Act extended the GSLP through June 30, 1981, and totally rewrote the authorizing legislation for the first time since the enactment of Pub. L. 89-329.

Technical and Miscellaneous Amendments – Pub. L. 95-43; June 15, 1977

Most amendments made by this Act dealt with changes effected by Pub. L. 94-482 and to guaranty agency programs. This Act also amended the formula for special allowance (SA) to calculate SA on the "average unpaid balance of principal" rather than on the "unpaid balance of disbursed principal." The existing practice of dividing the "annual" special allowance rate by four (to obtain a "quarterly rate") was added to the statutory formula.

Fair Debt Collection Practices Act – Pub. L. 95-109; September 20, 1977

This Act is to ensure fair treatment by debt collectors and to prohibit abusive and deceptive collection practices. Pub. L. 99-361 was amended to include attorneys, collecting on behalf of and in the name of creditors, as "debt collectors."

(Untitled) – Pub. L. 95-180; November 15, 1977

This Act amended the definition of "state" (§1201(b) of Pub. L. 89-329) was amended to include the Northern Mariana Islands.

Education Amendments of 1978 – Pub. L. 95-561; November 1, 1978

Section 1322 of this Act amended the effective date of §422(c) ["1976 advance funds" to "new" guaranty agencies] to be October 1, 1976 rather than October 1, 1977 (as originally enacted by Pub. L. 94-482). This was enacted to permit the Higher Education Assistance Foundation (HEAF) to qualify as a "new" guaranty agency.

Middle Income Student Assistance Act – Pub. L. 95-566; November 1, 1978

This Act eliminated the "adjusted family income" ceiling for determining eligibility for interest benefits. A new deferment was authorized for borrowers in rehabilitation training programs.

Uniform Law on the Subject of Bankruptcy – Pub. L. 95-598; November 1, 1978

Section 317 of this Act repealed section 439A of Pub. L. 89-329 that had been enacted by Pub. L. 94-482 and had provided for the non-dischargeability of student loans through the first five years of repayment. The repeal was effective on the date of enactment of this Act.

Section 523 of this Act established a new student loan provision (effective October 1, 1979) that was generally comparable to the repealed section 439A, but applied only to loans held by governmental units and institutions of higher education. As such, it did not apply to loans held by commercial lenders, Sallie Mae, proprietary schools, or private non-profit guaranty agencies.

Right to Financial Privacy Act of 1978 – Pub. L. 95-630; November 10, 1978

This Act governs financial institutions that provide federal agencies or their agents with access to, or information contained in, the financial records of a customer. It does not govern disclosures and access provided to non-federal organizations such as guaranty agencies.

Higher Education Technical Amendments of 1979 – Pub. L. 96-49; August 13, 1979

This Act removed the 5 percent ceiling on the special allowance rate, effective as of the quarter ending September 30, 1979; the special allowance formula was amended; and Section 428(a) of Pub. L. 89-329 was amended to provide for a special multiple installment agreement.

(Untitled) – Pub. L. 96-56; August 14, 1979

This Act amended the Bankruptcy Act to include the provisions of section 439A that had been repealed by section 317 of Pub. L. 95-598, effective through October 1, 1979. The Bankruptcy Act was amended, effective October 1, 1979, to apply these provisions to a larger group of student loans, including all GSLs, NDSLs, and Health Education Assistance Loans (HEALs).

Department of Education Organization Act – Pub. L. 96-88; October 17, 1979

This Act established the cabinet-level Department of Education, under which the federal student assistance programs formerly were administered by the U.S. Office of Education.

Department of Defense Authorization Act, 1981 – Pub. L. 96-342; September 8, 1980

Section 902 of this Act provided for the Armed Forces Repayment Program, under which the Secretary of Defense is authorized to repay GSLs and NDSLs on the basis of criteria established by the Defense Department.

Education Amendments of 1980 – Pub. L. 96-374; October 3, 1980

This Act made numerous changes to the GSL programs covering:

- Annual/aggregate loan amounts.
- Interest rates.
- Special allowance payments to tax-exempt authorities.
- New deferments for Public Health Service, service with a tax-exempt organization, internship programs, and temporary, total disability.
- A six-month grace period, for 8 percent and 9 percent GSLs, and a post-deferment grace period.
- Amendments to the Administrative Cost Allowance (ACA) spending minimums and definitions.
- Establishment of the Parent Loans for Undergraduate Students (PLUS) program.